

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7056

BILL NUMBER: HB 1697

NOTE PREPARED: Feb 12, 2009

BILL AMENDED: Feb 2, 2009

SUBJECT: Office of Small Business Advancement.

FIRST AUTHOR: Rep. Michael

FIRST SPONSOR:

BILL STATUS: As Passed House

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Economic Development Corporation to establish the Office of Small Business Advancement to carry out the Corporation's duties concerning the development of small businesses. It specifies information that must be contained in the Corporation's annual report. It requires the Corporation to assist small businesses in obtaining state and federal tax incentives. The bill also requires the Corporation to establish a statewide network of public, private, and educational resources to inform small businesses of the state and federal programs under which they may obtain financial assistance or realize reduced costs.

Effective Date: July 1, 2009.

Explanation of State Expenditures: *Indiana Economic Development Corporation (IEDC):* This bill requires the IEDC to establish the Office of Small Business Advancement and to staff the office with employees of IEDC. Currently, the Indiana Small Business Development Center (ISBDC) of the IEDC provides the services that are mentioned in this bill. They have 11 offices statewide, and they work with small businesses to determine sources of funding and provide business counseling. Free access to the office is required through a toll-free telephone number and a web page provided by the IEDC's web site. The ISBDC has their own web site, as well as a toll-free telephone number.

The bill requires the following additional information to be included in the IEDC's annual report to the General Assembly: information on the IEDC's efforts to support the development of small businesses; evaluation of the results of the IEDC's efforts to encourage small business development; and the IEDC Board's recommendations for legislation that would assist small businesses with the creation and retention of jobs. These provisions would increase administrative expenditures for the IEDC. As of October 31, 2008,

the IEDC had eight vacant staff positions.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IEDC.

Local Agencies Affected:

Information Sources: Ryan Asberry, IEDC, 317-232-8962; *State of Indiana HRM Detail Staffing Report*, 10/31/08.

Fiscal Analyst: Jessica Harmon, 317-23-9854.